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**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE DIRECTOR FOR MUTUAL SECURITY
WASHINGTON 25, D. C.**

April 22, 1962

General Walter B. Smith, Director
Central Intelligence Agency
Washington 25, D. C.

Dear General Smith:

In carrying out my responsibilities under the Mutual Defense Assistance Control Act of 1961 (Public Law 215, 87th Congress), I have become increasingly aware of the very real need for additional and more timely economic intelligence. This problem has been discussed with representatives of the Department of State who have expressed the same need in connection with the other aspects of the economic defense program which the Department is charged with coordinating. The Secretary of State is writing you separately to endorse the proposal made below.

The need for fully processed, evaluated, and timely intelligence information referred to above is particularly acute in regard to two general aspects: the effects of our control program on the Soviet bloc, and efforts and measures made to evade controls. We have been unable to keep sufficiently abreast of these developments.

It is noted that the National Security Act, generally, and the NSC Intelligence Directive No. 15 of 1951, specifically, provide for the collection, analysis, and dissemination of intelligence information in the economic field and further provide that the Central Intelligence Agency shall coordinate this effort and make such intelligence available as necessary. It is recognized that this effort has been pursued to a certain extent in the past, but the new requirements of the program seem to call for an intensification of this activity.

Accordingly, it is important that suitable provisions be made for furnishing full intelligence support on a continuing basis to the appropriate elements of the Economic Defense structure. It is proposed that a Working Group be set up within the EDC structure in order to develop closer continuous relationship among the operational, policy formulation, and intelligence-research elements. This Working Group would be chaired by CIA, and the following membership would appear desirable: State (DPI & EDC), Defense (ODD, ODI, G-2, DI-USIP), COMINT,

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Committee (SAC). In any event, the number of participants should be closely limited. The details of the terms of reference for this group would be formulated by staff representatives of the agencies concerned, subject to appropriate clearance. It is felt that this arrangement will provide a means whereby intelligence which is being collected can be more adequately processed, evaluated, and analyzed and more effectively used in support of specific policy and action programs related to this complex and ever-changing security problem.

In accordance with the understanding reached between my office and the Department of State, necessary arrangements will be undertaken by my office in conjunction with you to request the agencies named above to designate their representatives on the proposed Working Group. You may be assured of our complete cooperation in establishing a working framework for this very important activity.

Sincerely,

W. A. Burdette
Director
For National Security

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